

Auto dealers join furs, gems, yachts in fighting luxury tax

By Diana T. Kurylo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The creation of a multi-industry coalition to fight the federal luxury tax has displaced efforts by European import car dealers to form their own lobbying group.

European dealers had been trying to fight the issue with the support of Auto Dealers and Drivers for Free Trade, a political action committee known as AutoPac.

But now, auto dealer and manufacturer groups have joined forces with the fur, yacht and jewelry industries in the hope of overturning the levy when Congress begins work on a 1991 tax bill.

"We need to be united," said J. Robert Ladd, a Lebanon, Pa., Jaguar dealer who represented the Jaguar National Dealer Council at an organizational meeting.

One dealer said about 80 participants met in Washington Dec. 14. They have been asked to contribute to the lobbying effort, which has a proposed \$500,000 budget. Another meeting is slated for Jan. 15.

Auto representatives include the American International Automobile Dealers Association, the National Automobile Dealers Association, the Big 3, the American

International Automobile Manufacturers Association and AutoPac.

European imports will bear the brunt of the 10 percent tax that will be applied to the amount of the purchase price over \$30,000. The tax, which takes effect Jan. 1, also affects jewelry and furs costing more than \$5,000 and yachts above \$100,000.

The group will try to dispel the notion that high-priced cars are a luxury, and it plans a study to confirm what dealers suspect: Expensive cars aren't purchased by just the well-to-do, said Robert M. McElwaine, a consultant hired by Mercedes-Benz dealers to organize the group.

"Airline pilots, engineers and technically minded people put themselves in hock to buy these cars," said McElwaine, a former president of AIADA. "It isn't just rich people."

Lobbying will be coordinated by a Washington law firm, Patton, Boggs and Blow, which AIADA used in 1989 to fight a 25-percent import tax on sport-utilities.

Firm commitments haven't been made by all European makers, but McElwaine said the support of Mercedes, BMW, Jaguar, Porsche and Ferrari appears enthusiastic.

Jaguar dealer Ladd said last week that Jaguar dealers and Jaguar Cars Inc. "were in philosophical agreement" with the coalition, but neither the company nor the council had formally signed on.

Some dealers have questioned the decision to join forces with other industries. They have argued that items like furs and jewelry are clearly more of a luxury than an expensive automobile.

"I don't think a senator is going to be sympathetic to fur coats," said Roy W. Sommerhalter Sr., owner of Park Avenue BMW in Maywood, N.J. "He might be sympathetic to safety and to thousands of mechanics being unemployed."

But John Jaffe, owner of BMW of Fairfax (Va.) and chairman of BMW's National Dealer Council, favors banding together. "There's safety in numbers," he said.

The auto industry's position on the issue isn't uniform. During budget negotiations, the Europeans had proposed lowering the threshold to \$20,000 or \$25,000. They argued that a lower per-unit tax covering a broader segment would raise the same amount of money.

McElwaine and Lori Gribbin, AIADA vice president for government relations, say they'd oppose



6 Airline pilots, engineers and technically minded people put themselves in hock to buy these cars. It isn't just rich people. 9

Robert M. McElwaine
former AIADA president

any efforts to lower the threshold.

"That would be harmful to a large percentage of our membership," said Gribbin, whose organization has many dealers who sell Japanese makes.

Automotive News Staff Reporter Jim Henry in New York contributed to this report.

Automotive News compiles 10-day sales for imports

With this table for the Dec. 1-10 period, Automotive News begins regular coverage of imported-vehicle sales on a 10-day basis.

Actual retail sales are reported for each 10-day period by General Motors, Chrysler Corp., Ford Motor Co., Toyota Motor Sales U.S.A. Inc., Subaru of America Inc. and Volkswagen of America Inc. Sales for the remaining imports are estimated by Automotive News based on calculation and sources.

For the convenience of readers, our sales report for imported cars and light trucks will clearly differentiate sales reported by automakers and Automotive News estimates.

10-DAY SALES

IMPORTED CARS		Dec. 1-10, 1990	% change 90 vs. 89
Eagle	197	-	5.7
Chrysler	24	-	81.0
Dodge	790	+	79.1
Plymouth	392	-	13.5
Chrysler	1,403	+	14.2
Ford	835	-	15.4
Mercury	1,412	+	107.7
Ford	2,247	+	34.8
Chevrolet/Geo	1,415	-	32.3
Pontiac	1,062	+	268.2
General Motors	2,477	+	4.7
Subaru	1,225	-	36.6
Lexus	1,666	+	235.9
Toyota	5,919	-	5.1
Toyota	7,585	+	12.7
Audi	280	+	102.9
Volkswagen	1,128	-	18.0
Volkswagen	1,408	-	7.8
Total Reported	16,345	+	6.1
Alfa Romeo	38	-	-
Aston Martin	1	-	-
BMW	1,187	-	-
Daihatsu	90	-	-
Ferrari	22	-	-
Acura	2,311	-	-
Honda	2,833	-	-
Honda	5,144	-	-
Hyundai	2,153	-	-
Isuzu	170	-	-
Jaguar	515	-	-
Lamborghini	1	-	-
Lotus	3	-	-
Maserati	2	-	-
Mazda	1,623	-	-
Mercedes-Benz	2,134	-	-
Mitsubishi	1,384	-	-
Infiniti	163	-	-
Nissan	3,438	-	-
Nissan	3,601	-	-
Peugeot	94	-	-
Porsche	197	-	-
Rolls-Bentley	12	-	-
Saab	329	-	-
Sterling	68	-	-
Suzuki	60	-	-
Volvo	1,450	-	-
Yugo	109	-	-
Total Estimated	20,327	-	-
TOTAL CARS	36,732	-	-
IMPORTED TRUCKS			
Chrysler	242	-	52.9
General Motors	1,061	+	12.2
Toyota	3,874	+	40.2
Volkswagen	37	-	21.3
Total Reported	5,214	+	22.1
Daihatsu	60	-	-
Isuzu	1,790	-	-
Mazda	1,852	-	-
Mitsubishi	1,174	-	-
Nissan	762	-	-
Range Rover	260	-	-
Suzuki	168	-	-
Total Estimated	6,066	-	-
TOTAL TRUCKS	11,280	-	-
TOTAL CARS & TRUCKS	48,012	-	-

Import scam stings buyers for \$4 million

THE ASSOCIATED PRESS

SEATTLE — Three people have been arrested in Switzerland in a scheme that federal authorities say persuaded some 20 people to hand over \$4 million in down payments for expensive European cars most never received.

Individuals matching the description of Alejandro Ortiz, Felicitia Morales Ortiz and Carlos Ortiz were arrested in the Lugano region on charges of conspiracy, wire fraud and money laundering, said U.S. Attorney Mike McKay.

It is believed Alejandro and Felicitia Ortiz are married and Carlos Ortiz is their son, the U.S. attorney said in a statement.

The Ortizes falsely claimed to have close contacts at Mercedes-Benz and Ferrari factories in Germany and Italy that helped them get cars at discounted prices, said McKay, citing a complaint filed in U.S. District Court in Tacoma.

A few of the cars were delivered, but the Ortizes had no connections to European auto factories, McKay said. Investigation revealed the cars had been purchased from lots

in Beverly Hills, Calif., at full price, and then sold for a reduced price to create an illusion of factory contacts.

About 20 customers from the Seattle-Tacoma area contributed \$4 million for the purchase of 14 Ferrari and 70 Mercedes-Benz automobiles. Area dealers price a Ferrari at \$190,000 with a delivery time of up to six years. Top-of-the-line Mercedes, such as the Mercedes SL, sell for about \$90,000 and may take two years to deliver.

The Ortizes were tracked through Spain, France, Brazil and Argentina before they were arrested in Switzerland. Extradition proceedings have begun.

Alejandro Ortiz also was charged with fraud for persuading an unidentified individual to provide \$1 million, allegedly for the purchase of Daimler-Benz AG stock.

Federal charges and arrest warrants previously were filed in Reno, Nev., charging the Ortizes with defrauding an unidentified Reno businessman of \$12 million, McKay said. Details on that case were not immediately available.

Mack sees more red ink in 3rd quarter

ALLENTOWN, Pa. — Mack Trucks Inc. lost \$46.8 million on sales of \$358.8 million in its third fiscal quarter ended Sept. 30, according to documents that Renault Vehicules Industriels filed with the Securities and Exchange Commission.

During the period, Mack was faced with an industry-wide recession and uncertainty about the \$107 million takeover by RVI that

was concluded Oct. 5.

Because Mack is now a subsidiary of RVI and not a public company, it did not release an earnings statement and had no comment. The company was required to provide the information to the Securities and Exchange Commission because its stock was still traded publicly during the quarter.

Mack's third-quarter loss was about half as severe as its loss in

the year-earlier quarter. In the third quarter of 1989, the company lost a record \$87.5 million on sales of \$367 million.

Mack lost \$144 million during the first nine months of 1990, compared to a loss of \$105.9 million during the same period of 1989.

Sales in the first nine months dropped to \$1.2 billion, compared to \$1.4 billion a year earlier.

— The Associated Press



Nissan had anticipated sales of about 700 Passats a month, but said actual demand was averaging fewer than 100 a month. The mid-sized, front-wheel-drive Passat has become the third best-selling car in Germany since its launch in 1988.

Nissan cans plan to build VW's Passat in Japan

Mark Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Co. said it dropped plans to produce the Volkswagen Passat in Japan because sales were much lower than expected.

Nissan, which had anticipated sales of about 700 Passats a month, said actual demand was averaging fewer than 100 a month. But Nissan said that it would continue to import units to meet that demand.

Launched in 1988, the mid-sized, front-wheel-drive Passat has become the third best-selling car in Germany. It comes in sedan and station wagon versions.

A market survey indicated the demand in the Japanese

market for an import model the size of the Passat was much lower than expected, according to a Nissan spokesman. There are no plans at this time to replace the Passat with another model.

The decision to cancel production has led to speculation that Volkswagen will now concentrate on its relationship with Toyota Motor Corp. at the expense of Nissan.

Volkswagen and Toyota have a joint venture production agreement in Europe.

Nissan said, though, that the move will not affect its relationship with Volkswagen and that the two companies will continue to cooperate.

AROUND THE WORLD

European sales continue to fall despite surge in Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — European new-car sales fell for the fourth consecutive month in November despite a 27 percent surge in the strong German market.

Registrations in 17 Western European countries totaled 995,400 in November, down 1.9 percent from the year-ago month, according to industry estimates compiled by *Automotive News*.

For 11 months, sales were 12,478,700, off 1.1 percent.

Despite the dip, European new-car sales should still top 13 million for 1990, making it the second best year ever. Sales last year reached a record 13.4 million.

Germany's Volkswagen Group will finish as Europe's sales leader for the sixth consecutive year. Volkswagen — which includes the VW, Audi and Seat brands — captured 15.3 percent of the entire European market through November. Italy's Fiat S.p.A., including the Fiat, Alfa Romeo and Lancia brands, was next, at 14.1 percent.

Germany, buoyed by continuing strong demand from the former East Germany, has been the locomotive for all of Europe for most of this year. In November, German registrations accounted for 27 percent of all European new-car sales, according to estimates. During the same month in 1989, West Ger-

many accounted for 21 percent.

For 11 months, German sales were 8.8 percent above last year, at 2.85 million cars. That pace points to a record of well over 3 million for the year. The current record is 2.91 million in 1987.

"It will remain the strongest market probably through most if not all of the '91 calendar year," said General Motors Europe President Robert Eaton, who cited the effect of used-car demand from the former East Germany on German new-car sales.

Sales in each of the four other major markets declined in November. The United Kingdom fell 18 percent, to 117,500 units; France slipped 8 percent, to 193,500; Italy was off 2 percent, to 168,700; and Spain tumbled 23 percent, to 68,200.

Sanjay Dabysing, who follows the industry for DRI Europe in London, said he was surprised by the sharp downturn in France, but he said the big drops in Britain and Spain were consistent with deteriorating economic conditions in the two countries.

DRI forecast last fall that British and Spanish sales would stabilize next year after declining well over 10 percent in 1990. But that outlook is being reassessed.

"My feeling now is that those markets will be down 3 to 4 percent next year," said Dabysing.

The Japanese share of the West-

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	11 Months 1990	11 Months 1989	Pct. change
Germany	2,851,500	2,625,000	+ 8.6
Italy	2,182,000	2,050,000	+ 6.0
France	2,147,900	2,320,000	- 7.4
United Kingdom	1,946,100	2,170,000	- 10.3
Spain	916,000	1,180,000	- 22.4
Netherlands	491,400	510,000	- 3.6
Belgium-Luxembourg	485,400	510,000	- 4.8
Switzerland	309,900	310,000	- 0.3
Austria	280,500	280,000	+ 0.2
Sweden	215,700	230,000	- 6.2
Portugal	186,100	180,000	+ 3.4
Finland	135,800	150,000	- 9.5
Greece	101,900	100,000	+ 1.9
Ireland	80,200	80,000	+ 0.2
Denmark	77,800	75,000	+ 3.7
Norway	58,700	55,000	+ 6.7
Total	12,478,700	12,699,000	- 1.7

EUROPEAN SALES

Manufacturer	11 Months 1990	11 Months 1989	Volume change (%) '90 vs. '89
Volkswagen	1,914,900	1,879,700	+ 1.9
Fiat Auto**	1,757,100	1,849,300	- 5.0
Peugeot S.A.***	1,814,200	1,803,700	+ 0.7
Ford****	1,450,900	1,495,700	- 3.1
General Motors	1,443,300	1,394,500	+ 3.5
Renault	1,220,400	1,300,200	- 6.1
Mercedes-Benz	406,200	401,000	+ 1.3
Rover	368,100	381,700	- 3.6
Nissan	361,400	380,500	- 5.0
BMW	339,900	358,200	- 5.1
Toyota	335,600	327,200	+ 2.6
Mazda	262,100	217,000	+ 20.8
Volvo	221,100	249,200	- 11.3
Mitsubishi	164,800	156,300	+ 5.3
Honda	149,500	128,800	+ 16.0
Others	469,400	490,400	- 4.3
Total	12,478,700	12,699,000	- 1.7

*Does not add to 100 because of rounding
**Peugeot, Citroen, Talbot
***Including Jaguar

****Including Alfa Romeo, Lancia

ern European market was 11.7 percent for the year through November, up from 11 percent in 1989. Japanese sales totaled 1,455,200 cars through November, a 5 percent increase over 1989.

In Germany, the Japanese market share receded in November after topping 18 percent in July, August and September. In November, the Japanese held 13.8 percent of the German market, although the 11-month penetration of 15.7 percent surpassed Japan's 14.8 percent for the same period last year.

Car sales zoom in Korea

SEOUL, South Korea — Passenger car sales, defying all predictions of a downturn, continued at a record pace in November, according to the Korean Automobile Manufacturers Association.

The industry group said 139,000 units were sold in November, up 34 percent from the 103,440 units delivered in October. It estimated November's local sales at 94,000 units, up 39

percent from the 67,796 units sold in October, while exports were put at 45,000 units, the strongest monthly performance this year.

Through Nov. 30, sales totaled about 1,158,500 units, an industry record, the group said.

Analysts said the sales surge was being fueled by incentives and January hike in the new-car tax.

— Oles Gadacz

Battle heats up in Korea's hot-selling van market

By Oles Gadacz
STAFF CORRESPONDENT

SEOUL, South Korea — Three years after the government stripped it of its legal monopoly over van production, Kia Motors Corp. is locked in a bruising struggle with Hyundai Motor Co. to maintain control of Korea's fastest-growing auto segment.

Kia, Korea's second biggest carmaker and an affiliate of Ford Motor Co. and Mazda Motor Corp., launched the van segment in 1983 after a government industrialization program barred it from car production.

Between 1983 and last year, the segment exploded 270 percent, from 19,000 units to nearly 70,000. Van sales are expected to surge another 22 percent this year, to about 85,000 units.

Since 1987, however, Kia has been forced to share the segment's runaway growth with archrival Hyundai, Korea's biggest vehicle maker. From an effective share of 100 percent, Kia has watched its penetration fall to a still commanding 60 percent after Hyundai was given official clearance to enter the segment last year.

Daewoo Motor, 50-percent owned by General Motors, has sold a barely measurable 1,000 Vanette vans since 1988 and is expected to drop out next year.

Entering the segment with the Grace, a product based on the Mitsubishi L300, Hyundai grabbed a stunning 27 percent share of the market its first year out. It has not slacked off since, racking up a 31 percent share in 1988 on sales of 18,500 units and a 43 percent share last year on sales of 30,000 units.

This year, Kia managed to re-

● The major reason for Kia's small recovery this year is its expansion of capacity. ●

Chang Choong-Lynn
Daewoo Economic
Research Institute

verse the tide by offering a front-end facelift for its van, the Mazda-based Besta, and two new models. One new variant, the EGI, offers a 2.0-liter multi-port fuel-injected-gasoline engine in place of the standard 2.2-liter diesel. The other is a 4 x 4 edition that Hyundai has yet to reply to.

Classified as buses in South Korea, both company's vehicles are comparable to minivans in the United States.

Kia, betting heavily on the segment, has upped van capacity at its main Sohori plant, to 110,000 units a year from 65,000.

As a result, analysts expect Hyundai's share for the year to be off a couple of points from 1989.

"The major reason for Kia's small recovery this year is its expansion of capacity," says Chang Choong-Lynn, who follows the industry for the Daewoo Economic Research Institute. "Greater economies of scale have cut production costs and given them savings to plough back into sales promotion."

Despite obvious styling differences, the Kia and Hyundai vehicles are as alike as peas in a pod. Priced from 7.8 million to 10.4 million won (about \$10,900 to \$14,550)



Hyundai Grace grabbed 27 percent of Korea's van market in its first year.



New front-end design for Besta has helped Kia recoup some sales.

depending on the seating, interior trim level and other options, the Besta offers a 2.2-liter diesel and the Grace a 2.5-liter diesel as standard. Each offers only a four-speed manual transmission.

Both are of comparable outer and interior dimensions. But while shoppers give high marks to Hyundai for the Grace's styling, the Besta enjoys a slight marketing edge because of Kia's reputation for the quality of its diesel engines.

Waiting in the wings are new models that promise to shake up the segment once again. Daewoo Shipbuilding, a counterpart to

Daewoo Motor, and Asia Motor Co., a Kia affiliate, are both working to bring new, smaller vans to market sometime in 1991. Each would seat six and be powered by 800-cc engines.

"Van sales, especially for nine-seaters, could be hurt by these new models," Chang warns. "They'll sell for about half the price of regular-size vans."

Meanwhile, Kia reportedly is interested in cloning Mazda's highly successful MPV for both the domestic and export markets. It is not clear whether Mazda is interested in licensing the MPV.

BRIEFS

Daihatsu, Piaggio link for truck production

TOKYO — Daihatsu Motor Co. said it agreed to set up a joint venture with Italy's Piaggio S.p.A. to produce light trucks and vans at a new plant in Pisa, Italy.

Daihatsu will hold a 49-percent stake in the venture and Piaggio 51 percent, a company official said.

The new plant, to cost about \$59 million, will have a planned capacity of about 35,000 trucks and vans a year and should come on stream by the end of 1992, the official said. He said the vehicles would be marketed in Italy and other European nations under both the Daihatsu and Piaggio brands.

— The Associated Press

Ford taps Cosworth for Scorpio engines

LONDON — Ford of Europe said it had contracted with Cosworth Engineering Ltd. to supply about 5,000 four-cam, 24-valve V-6 engines a year for the Scorpio.

Ford said it would use the Cosworth engine, which develops 195 horsepower, on the Scorpio range until its own all-new series of V-6s goes into production in the mid-1990s.

Cosworth said distributorless ignition and advanced fuel injection enables the engine to exceed California emission standards.

Cosworth also is working on a house-designed 16-valve cylinder head for Ford's 125 hp 4-cylinder engine. These compact engines will be designed for front wheel drive models, including CDW27, the Sierra replacement.

— Daniel Ward

Import sales rise for 4 Japanese and 4 European makes

By Kristine Steven Breeze
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Eight import makes — four Japanese and four European — sold more imported

cars in the United States last month than in November 1989. Sales of captive imports by Mercury (Tracer-Capri) and Pontiac (LeMans) also were up.

European brands Saab, BMW, Alfa Romeo and Mercedes-Benz topped last year's totals. Among the Japanese, Honda, Lexus, Isuzu and Suzuki also sold more imported cars than in 1989.

Import sales in November declined 9.88 percent from the year-ago period, from 200,304 to 180,509. That compares with a 1.54 percent drop for domestic and import car sales combined.

For the first 11 months of this year, import sales were off 11.57 percent from the corresponding 1989 period.

Alfa Romeo's totals were helped by the all-new 164 sedan. Through Nov. 30, Alfa sold 1,338 of them, including 175 in November.

BMW is down about 6 percent for the year, but in November almost every model was up. The company's sales rose 5.53 percent. Five Mercedes-Benz models showed sales increases, leading that make to a 6.30 percent gain. The German heavyweights may have been helped by buyers trying to beat a new tax on cars priced

above \$30,000, which takes effect Jan. 1.

Naturally aspirated versions of Saab's 900 and 9000 series were up, while the turbo versions of each lagged behind.

Honda sold more imported cars than anyone else last month. In November, Honda sold 27,324 imported Civics, Accords and Preludes, a gain of 28.46 percent over last year. In addition, Honda sold 40,405 U.S.-built Civics and Accords.

The new Stylus gave Isuzu a boost, and the Impulse is now out-selling last year's I-Mark. Isuzu's

car sales totaled 805 in November, up 54.21 percent over last year.

Sales of the Lexus LS400 and ES250 were up sharply. The LS400 was up 45.47 percent, and the ES250 rose 77.69 percent. Infiniti reached 20,000 sales for the year after selling 2,778 cars last month.

Suzuki's only car, the Swift, gained 8.56 percent in November and gave the company 6,246 sales for the year.

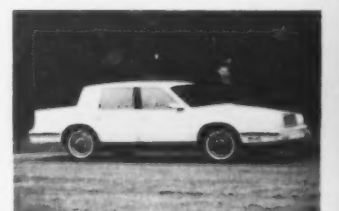
Production problems and delivery lags have plagued a number of imports.

Acura introduced its new Legend sedan in November, but according to a few dealers around the country, the cars did not arrive until December and supply is not keeping up with demand. The hot NSX is still in short supply. Acura sold 296 NSX models last month.

Production snags in Germany have kept BMW from getting its new 850i coupes to dealers. Through November, the company had sold only five.

Transmission glitches and inadequate production capacity has hurt Mitsubishi and its new 3000GT sports car. The VR-4 model, which Mitsubishi is pushing as an image leader, has been especially hard to come by.

Dodge, which is emphasizing the entry-level version of the Stealth, has sold about 60 percent more of the sports cars since their introduction than Mitsubishi, which makes them for Dodge. Last month, Mitsubishi sold 648 3000GTs; Dodge sold 1,182 Stealths.



The New Yorker Salon, Jeeps and other vehicles are on display at the Jeddah Motor Show in Saudi Arabia.

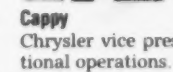
Chrysler rejoins Saudi vehicle show

JEDDAH, Saudi Arabia — Chrysler Corp. has launched a Jeep foray into the Middle East at the Jeddah Motor Show following a 25-year absence. The Jeep Cherokee and Wrangler are featured on the United Arab Motors' Chrysler stand at the new Jeddah International Exhibition Centre.

The Jeeps are expected to be top contenders with four-wheel-drive enthusiasts in Saudi Arabia and the Middle East, said Joseph E. Cappy, Chrysler vice president of international operations.

"Chrysler is making a major commitment to the Middle East, which we believe is a very important market," Cappy said.

Other Chrysler models on display at the Jeddah Show are the Chrysler Imperial, New Yorker Salon and Acclaim, as well as the Dodge Dynasty and Spirit.



Cappy

MARKET SHARES Domestic, Import cars

	Nov 1990 Sales	Pct of Total
Subcompact	155,954	23.59
Compact	187,968	28.44
Intermediate	210,472	31.84
Standard	92,635	14.01
Specialty	13,957	2.11
TOTAL	660,986	100.00

IMPORTED SALES BY MODEL

	Nov 1990	Nov 1989	11 Mos. 1990	11 Mos. 1989		Nov 1990	Nov 1989	11 Mos. 1990	11 Mos. 1989
ACURA	8,307	10,632	128,421	132,204	SL Coupe	881	186	8,284	6,886
Integra	5,122	5,677	79,091	72,008	560SEC	138	58	1,539	1,477
Legend	2,889	4,955	48,499	60,196	Tourist	63	1,221	1,388	725
NSX	296	0	831	0	MERCURY/MERKUR	5,435	3,827	40,605	64,705
ALFA ROMEO	258	102	3,175	2,749	Tracer	4,080	2,606	30,929	56,239
Milano	2	28	45	1,033	Capri	1,355	0	7,054	0
Spider	81	74	1,792	1,716	XR4Ti	0	103	198	3,956
164	175	0	1,338	0	Scorpio	0	1,118	2,424	4,511
ASTON MARTIN	5	5	55	55	MITSUBISHI	5,281	6,339	93,266	71,355
AUDI	1,279	1,409	19,757	19,393	Stanion	0	2	18	684
4000	0	0	1	103	Cordia	0	0	0	382
5000	0	9	12	350	Tredia	0	0	0	12
80	218	262	4,172	4,092	Mirage	2,009	3,298	46,924	23,446
90	199	233	3,170	4,166	Galant	2,344	2,478	38,301	28,386
V8 Quattro	164	141	1,710	767	Sigma	26	85	1,549	1,989
Coupe Quattro	44	78	800	346	Precis	209	348	4,461	14,668
100/200	475	542	8,231	7,687	3000GT	648	0	870	0
100/200 Quattro	179	144	1,661	1,882	Wagon	45	128	1,143	1,788
BMW	5,424	5,140	56,784	60,418	NISSAN	21,285	30,329	294,381	375,207
3 series	2,075	2,062	26,583	29,255	Sentra	1,566	8,987	47,508	113,929
5 series	2,084	1,951	19,624	18,519	Pulsar	13	2,221	3,832	23,456
635 CSI	7	100	243	1,423	Stanza	4,066	3,011	73,080	40,483
7 series	1,153	976	9,231	9,691	Maxima	8,693	8,422	92,233	102,176
850i	2	0	5	0	240SX/200SX	4,622	4,336	53,447	64,888
M3	55	47	701	915	300ZX	1,655	2,002	20,432	24,878
M5	48	3	391	268	Hawaii	670	1,350	3,849	5,397
M6	0	1	7	347	PEUGEOT	295	433	3,943	5,621
CHEVROLET/Geo	5,955	8,956	120,134	107,767	PONTIAC LeMans	1,339	1,119	37,291	43,724
Geo Storm/Spectrum	4,397	5,187	75,058	58,874	PORSCHE	634	797	8,339	8,817
Geo Metro/Sprint	1,558	3,769	41,565	48,893	924S/944	4	24	180	136
CHRYSLER MOTORS	5,193	6,949	60,656	97,310	944	0	95	56	1,238
Colt	2,843	4,288	37,095	55,514	944S	149	116	2,207	558
Conquest	0	165	896	4,912	944 Turbo	4	66	471	731
Medallion	0	44	475	3,863	911 Carrera 4	301	303	3,213	2,449
Stealth	1,182	0	2,158	0	911 Turbo	0	30	8	1,036
Summit	491	1,020	11,987	18,328	911 Carrera 2	130	74	1,651	1,882
Vista	506	848	4,904	12,357	928S	46	89	553	787
TC	166	584	3,141	2,336	ROLLS-ROYCE	100	100	1,100	1,100
DAIHATSU	503	1,522	10,066	13,963	SAAB	1,615	1,505	24,250	30,132
FERRARI	80	80	880	880	900	284	155	4,305	5,895
FORD Festiva	2,944	4,120	50,128	85,225	900S	349	276	5,686	7,591
HONDA	27,324	21,289	234,831	231,234	900 Turbo	364	422	6,168	8,105
Civic/CRX	11,518	4,610	75,907	57,403	9000S	183	168	2,042	2,548
Accord	13,901	14,455	123,179	132,351	9000 CD	283	229	3,145	2,864
Prelude	1,905	2,204	35,745	41,480	9000 Turbo	145	245	2,753	2,866
HYUNDAI	10,487	12,008	124,415	172,713	Tourist	7	10	147	263
Excel	6,828	9,040	93,165	145,109	STERLING	265	482	3,708	5,548
Sonata	1,526	2,968	26,748	27,604	SUBARU	5,698	8,544	88,193	128,465
Scoupe	2,133	0	4,502	0	Hatchback	0	95	174	2,576
ISUZU	805	522	5,175	15,089	3-Door	0	67	246	7,398
I-Mark	46	469	1,247	11,274	4-Door Sedan	0	155	392	27,130
Impulse	482	53	2,698	4,415	Legacy	2,079	4,905	49,341	28,425
Stylus	277	0	1,030	0	Loyale	2,614	1,381	23,109	11,097
INFINITI	2,778	0	20,877	0	XT/XT6	90	180	1,164	11,780
M30	420	0	7,802	0	Station Wagon	0	158	263	19,810
Q45	1,103	0	10,604	0	Justy	913	1,603	13,438	20,250
G20	1,255	0	2,471	0	SUZUKI	431	397	6,246	5,703
JAGUAR	1,344	1,899	18,524	17,088	TOYOTA	27,250	30,408	335,289	414,082
XJ6	1,018	1,241	12,316	13,126	Corolla	6,672	7,791	83,239	107,900
XJ-S	326	458	4,208	3,962	Tercel	7,638	7,236	81,985	89,669
LAMBORGHINI	13	13	143	143	Celta	5,216	7,424	73,466	55,232
LEXUS	5,847	3,787	56,791	11,757	Supra	380	772	6,064	13,754
ES 250	1,884	1,049	18,939	3,165	Camry	5,154	6,348	65,420	119,188
LS 400	3,983	2,738	37,852	8,592	Cressida	1,101	658	11,768	23,215
LOTUS	27	27	297	297	MR2	1,089	179	13,327	5,044
MASERATI	20	20	220	237	VOLKSWAGEN	8,891	8,793	121,987	120,357
MAZDA	11,269	13,691	143,591	171,178	Cabriolet	365	358	7,244	9,488
323	2,107	2,484	21,345	58,923	Corrado	473	308	5,216	1,134
Protege	4,411	2,422	43,816	7,107	Jetta	3,082	4,192	55,641	51,387
626	764	3,313	49,491	49,491	Golf/GTI	1,174	1,367	16,302	21,149
MX-6	10	24	2,189	0	Passat	2,377	0	15,886	0
Miata	2,381	3,087	33,734	19,757	Quantum	8	9	39	929
929	1,111	1,420	15,681	18,203	Scirocco	4	2	17	864
RX-7	485	941	9,333	15,508	Fox	1,208	2,555	21,660	35,404
MERCEDES-BENZ	6,694	6,297	69,217	68,601	VOLVO	5,132	8,218	83,934	96,722
190	1,183	1,200	12,992	13,203	240 series	1,825	3,200	29,894	38,814
300E 2.6/260E	423	477	2,679	4,769	740 series	2,793	4,210	43,340	43,986
300	1,978	2,008	21,919	20,610	760 series	136	737	8,502	11,176
300 SE	514	384	5,718	5,830	940 series	320	0	382	0
350SD Turbo	183	0	1,147	0	780	29	33	883	2,030
350 SD	128	0	303	0	Tourist	29	38	933	716
300SEL	282	725	3,403	3,506	YUGO	504	755	6,109	9,948
420SEL	515	646	5,751	6,779	IMPORT TOTAL	180,509	200,304	2,270,758	2,570,245
560SEL	406	334	4,094	4,814					

*Estimate

TRUCK INDUSTRY

GM, Ford tap fleets for mid-range sales

By Joseph Bohm
TRUCK EDITOR

General Motors and Ford Motor Co. are still finding opportunities in the otherwise soft medium-duty market, with sales to fleets and state and local governments.

Ford picked up a 500-unit order for F-700 one-way rental units from Penske Corp. that should help bolster sales over the next few months, according to Terry Huber, manager of Ford Heavy Truck Field Operations.

GMC Truck Division has been cashing in on smaller fleets. It has enough orders to keep its Janesville, Wis., plant on its current 600-truck-a-week schedule until the first week of March, according to Ray Rota, GMC Truck general sales manager.

GMC Truck also handles medium-duty truck marketing for Chevrolet.

Officials are, in fact, evaluating whether to add overtime or increase the line rate during March and April, Rota said.

Caterpillar's 3116 diesel engines now account for close to 60 percent of GM's medium-duty conventional truck sales, its gas engines for the remaining 40 percent.

"That's good and healthy. Economically speaking, you can still make a strong case for the need for a gas engine," Rota said.

Automatic transmissions also account for about 26 percent of GM's medium-duty conventional truck sales.

Rota said the influx of inexperienced drivers, including women, favors automatic transmissions.

Ford has been busily cranking up volume of its low-cab-forward medium-duty Cargos since phasing them out of production in Brazil and into its Kentucky truck plant in October.

Huber expects production of Cargos to hit 17-a-day by April, following the addition of the CF 7000, more wheelbase choices and other product changes at the Louisville plant. Ford is now producing eight Cargos a day.

Huber sees Ford producing

about 4,000 Cargos on an annualized basis until the overall medium-duty market strengthens.

He sees the whole low-cab-forward segment expanding, particularly after the Northeastern U.S. economy bounces back.

Low cab forwards have been popular for city delivery in crowded urban centers like New York, where maneuverability is at a premium.

Long-term, Ford will offer Cummins engines in its medium-duty models, including Cargo, as part of minority purchase in Cummins Engine Co. earlier this year.

But the Ford-built diesel currently used in Cargo will likely be around until 1994, when emissions standards tighten further.

Huber said: "We feel we have one of the most competitive mid-range diesel engines going. If you look at the numbers of trucks built with our diesel, it has been a big success."

Chevrolet and GMC use Isuzu-built trucks to compete in the low-cab-forward segment. Chevrolet sells Isuzu models under the Tilt-master name, and GMC uses the Forward name. The Chevrolet/GMC W-4 model is Isuzu's NPR. The Chevrolet/GMC W-5 is Isuzu's NRR. Their W-6 is Isuzu's FSR and their W-7, Isuzu's FTR or FVR, depending on gross vehicle weight.

According to company records, Chevrolet and GMC retailed 3,689 medium-duty imports for 11 months of this year and 3,882 through Dec. 13.

That will give them about 4,000 for calendar 1990, about equal to the level Ford expects to operate at next year.

Navistar International Corp. needs to shore up its strength in this segment. Its Nissan-built low-cab-forward sales totaled less than 300 units in the first 11 months of this year. They had hit 749 in 1988, but dropped to 317 in 1989, according to the Motor Vehicle Manufacturers Association.

Navistar has been promising its dealers new models with European-sourced cabs, but hasn't said when they would get them.

NOVEMBER TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1990	TOTAL 1989
FORD	MO	95,111	1,562		481	1,617	736	99,507	105,819
	YR	1,257,726	24,523		5,829	24,628	11,963	1,324,669	1,355,899
FREIGHTLINER	MO						1,702	1,702	1,420
	YR						21,432	21,432	21,488
CHEVROLET	MO	85,128	37	11	879	522		86,577	94,565
	YR	1,162,886	40	233	8,120	6,819		1,178,098	1,235,795
GMC	MO	22,689	2	31	429	991		24,142	26,536
	YR	301,661	3	1,962	5,076	13,406		322,108	34,130
KENWORTH	MO					15	1,089	1,104	1,287
	YR					374	13,334	13,708	16,932
MACK	MO				46	62	904	1,012	1,529
	YR				1,015	1,357	13,449	15,821	21,773
MERCEDES-BENZ	MO				33	74		107	142
	YR				491	1,016		1,507	1,877
NAVISTAR	MO			2	723	1,683	1,541	3,949	4,073
	YR		52	105	11,471	28,359	25,081	65,068	72,771
PETERBILT	MO					18	969	987	1,386
	YR					340	11,049	11,389	15,662
VOLVO/GM HEAVY	MO					86	1,306	1,392	1,569
	YR					717	13,031	13,748	16,154
HINO	MO	24		53	39	40		156	161
	YR	287		480	602	846		2,215	1,987
NISSAN DIESEL	MO	40		90	54	46		230	209
	YR	618		875	491	464		2,448	2,179
ISUZU TRUCK	MO	509	46	21	58	17		651	641
	YR	5,977	600	355	1,759	548		9,239	7,064
MITSUBISHI FUSO	MO	150		54	13	53		270	258
	YR	1,683		597	242	498		3,020	3,042
SCANIA	MO						9	9	8
	YR						98	98	109
IVECO TRUCKS	MO	135	32	12	13			192	205
	YR	1,498	485	226	143			2,352	2,143
WESTERN STAR	MO						55	55	127
	YR						871	871	1,333
OTHER TRUCKS	MO	118,646					35	118,681	125,713
	YR	1,528,337			34	1	611	1,528,983	1,803,113
GRAND TOTAL, 1990	MO	322,432	1,679	274	2,768	5,224	8,346	340,723	365,648
	YR	4,260,673	25,703	4,833	35,273	79,373	110,919	4,516,774	4,613,451
1989 YR to DATE		4,324,236	24,866	6,781	36,467	87,944	133,157		

NOTE: Class 1-3 total includes light trucks sold by all makes other than those listed. Class 4-8 reported by Motor Vehicle Manufacturers Association.

TRUCK BRIEFS

Heavy-truck vendors face tough future

NEW YORK — Medium- and heavy-truck sales will grow solidly over the next five years, but falling profit margins, global competition and government regulation will hurt vendors, according to a Frost & Sullivan study.

"The U.S. Market for Heavy-Duty Vehicles and Associated OEM Components" forecasts a 20 percent growth in sales of Class 6, 7 and 8 trucks, buses and trailers from \$16.1 billion in 1989 to \$19.4 billion in 1995.

Unit sales are expected to rise from 484,000 to 516,000 by 1995. The vendor-supplied component market is expected to increase from \$9.1 billion to \$10.7 billion.

But the study sees massive "pre-buying" by fleets in 1993 to avoid costlier and cleaner 1994 models.

It sees regulations for anti-lock brakes and more high-tech engine controls by the mid 1990s, driving up prices and undercutting makers' profits.

California truck woes

WEST SACRAMENTO, Calif. — Some 130 California motor carriers

failed during the first nine months of 1990, compared to 117 firms in the same period last year, according to Tizana Mohorovic, associate manager of business statistics at Dunn & Bradstreet in New York.

The failure rate is the highest since 1986, according to Thomas C. Schumacher, executive vice president of the California Trucking Association. He blames it on the California Public Utilities Commission's price regulations, which hinder trucking firms' operating flexibility.

Schumacher called for deregulation of prices; for more effective environmental, safety and fuel-efficiency laws; and for removal of the arbitrary 10 percent cap on carriers' fuel-cost surcharges.

Freightliner's engines

PORTLAND, Ore. — Electronic engines will be standard in Freightliner's entire Class 8 product line, beginning in 1991.

Detroit Diesel Series 60 11.1-liter engines equipped with DDEC will be standard in Freightliner's FLA cab-over-engine models and FLD 120 long conventionals.

Caterpillar 3176 10.3-liter engines with integral electronic con-

trols will be standard in Freightliner's medium-length FLD 112 and FLC 112 conventionals. Mechanical engines will continue to be available.

Freightliner will continue to offer a broad spectrum of engine options, including other Detroit Diesel, Caterpillar and several Cummins engines.

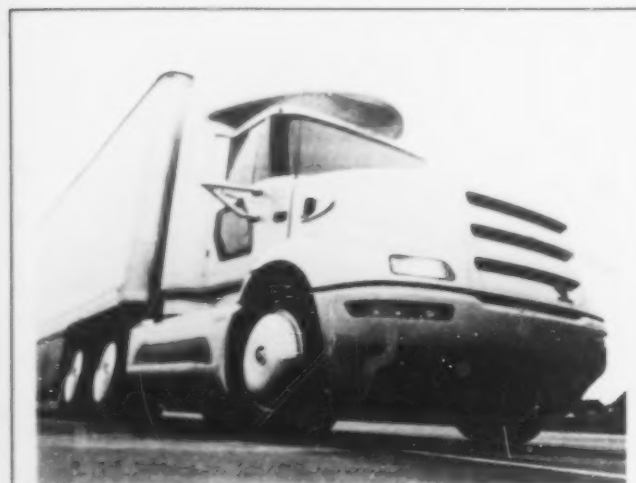
Freightliner included a road speed governor in its Vigil 3 family of electronic monitoring systems. The option is available on all Freightliner models equipped with Cummins L10 and N14 nonelectronic engines.

Vigil 3 also includes an engine trouble warning and shutdown system and other features, designed to help fleets cut costs.

Truck Equipment parley

LIVONIA, Mich. — Chevrolet, Ford Motor Co., Chrysler Corp. and Toyota Motor Sales U.S.A. Inc. are sponsoring activities at the National Truck Equipment Association's annual convention in San Diego, Feb. 6-9.

Each of the companies supplies chassis to the industry and also supported the association's 1990 convention.



Navistar's design for new ideas

Navistar International Corp.'s "idea truck" includes concepts such as a fully air-suspended composite cab, an electrical system with an "intelligent" instrument panel and solid-state switching and an ergonomically designed driver environment.

INCENTIVE WATCH
CUSTOMER INCENTIVES

Rebate	Expiration Date
Chrysler Corp. (1989-90)	
Chrysler \$500-2,000	1/9
Town & Country \$1,000	1/9
Dodge cars \$1,000-2,500	1/9
Dodge trucks \$750-2,500	1/9
Caravan \$1,000	1/9
Eagle \$1,000-2,500	1/9
Jeep \$1,000-3,000	1/9
Plymouth \$1,000-1,300	1/9
Voyager \$1,000	1/9

Finance rate, in lieu of rebate, starts at 7.9 percent.

Chrysler Corp. (1991)	
Chrysler \$500-750	1/9
Dodge cars \$400-1,000	1/9
Dodge trucks \$300-750	1/9
Eagle \$400-500	1/9
Jeep \$500-3,000	1/9
Plymouth \$400-500	1/9
Minivans \$500	1/31
Minivans \$500 for owners of 1984-89 minivans	12/31

Ford Motor Co. (1990)	
Ford Festiva \$700	2/28
Ranger \$1,500	2/28
All Lincoln \$1,500	1/31

Ford Motor Co. (1991)	
Ford Escort, Festiva \$500	2/28
Ranger \$1,000	2/28
Mercury Tracer \$500	2/28
Grand Marquis \$1,000	2/28

Finance rate, in lieu of rebate, starts at 7.9 percent for 48 months or less.

General Motors (1990)	
Buick Reatta* \$3,000	12/31
Other Buick* \$250-1,000	12/31
Cadillac \$1,200	1/7
Chevrolet Geo \$300-1,000	1/7
Other cars \$500-1,000	1/7
Geo Tracker \$1,000	1/7
Other trucks \$500-1,000	1/7
Oldsmobile \$1,500-2,500	1/7

Pontiac	
Bonneville, Grand Prix, Grand Am \$750-1,250	1/7

*Based on option package selected. All makes except Cadillac offer cut-rate financing in lieu of rebate.

General Motors (1991)	
Buick Reatta* \$3,000	1/7
Other Buick* \$250-1,000	1/7
Cadillac Brougham \$1,500	1/7
Chevrolet Geo \$300-500	1/7
Other cars \$500-1,000	1/7
Geo Tracker \$500-1,000	1/7
Other trucks \$500-1,000	1/7
Oldsmobile \$500-1,500	1/7

Pontiac	
Firebird** \$500-1,000	1/7
Other Pontiac \$500-750	1/7

*Based on option package selected. **Firebird rebate is \$1,000 in California only. All makes except Cadillac offer cut-rate financing in lieu of rebate.

Hyundai	
Excel (1990-91) \$500-1,500	1/3
Sonata (1990-91) \$1,500-2,000	1/3
Scoupe (1991) \$500	1/3

Jaguar (1990-91)	
\$5,000 for owners of '88 Jaguars	12/31

Mazda (1990)	
Cars \$750-1,500	1/3
Trucks \$1,000-1,250 plus free trim package	1/3
MPV \$886-1,246 discount on option packages	1/3

Subaru	
Justy (1990-91) \$500	1/3
Loyale (1991) \$300-1,050	1/3

INCENTIVE WATCH
DEALER INCENTIVES

Rebate	Expiration Date
Chrysler Corp. (1989-91)	
Cars & trucks \$250-1,000, quota	12/31

Ford Motor Co. (1990)	
Ford Probe GT \$1,500	12/31
Thunderbird \$1,400	12/31
Taurus SHO \$3,000	12/31
Other Taurus \$1,300	12/31
Other cars \$1,000	12/31
Ford Bronco \$2,000	12/31
Other trucks \$1,100-1,300	12/31

On Jan. 1, 1991, rebates will be reduced by \$200 on all above models except Probe GT, Taurus SHO, Crown Victoria and Bronco. The reduced rebates will continue until Feb. 28, 1991.

Mercury Topaz	\$1,000	12/31
Sable	\$1,300	12/31
Cougar	\$1,400	12/31
Grand Marquis	\$1,500	12/31
All Lincoln	\$2,000	1/31

Topaz, Sable and Cougar rebates will be reduced by \$200 for Jan. 1, 1991, to Feb. 28, 1991.

Ford Motor Co. (1991)	
Ford Taurus SHO \$1,000	2/28
Crown Victoria \$750	2/28
Other cars \$100-\$700, based on sales	2/28
Ford trucks \$100-\$700, based on sales	2/28
Mercury Topaz, Cougar, Sable \$100-\$700, based on sales	2/28

Audi (1990)	
100 Series \$3,000	12/31

Isuzu (1990)	
Impulse \$1,500	12/31
Trooper \$1,700	12/31
Pickup \$1,700	12/31

Mitsubishi (1990-91)	
Mirage \$500-1,000	12/31
Other cars \$350-2,000, quota	12/31
Trucks \$350-2,000*	12/31

*Some truck rebates are based on quotas. Mitsubishi rebates vary by region.

Nissan (1990)	
Sentra \$500-1,500	12/31
Stanza \$800-1,500, based on sales	12/31
Maxima \$200-700, based on sales	12/31
240SX \$1,000-2,000, based on sales	12/31
Trucks \$1,200	12/31

Nissan (1991)	
Trucks \$400-800, based on sales	1/4

Pugeot (1989)	
405 \$2,500-3,500	None

Subaru	
Justy (1990-91) \$500	1/3
XT (1989-91) \$2,000	1/3

Loyale (1990)	\$800-1,500, quota	1/3
Legacy (1990)	\$1,500-2,000, quota	1/3
Legacy (1991)	\$900-1,400, quota	1/3

Suzuki (1990)	
Swift \$400-700	2/4
Sidekick \$1,000-1,500	2/4

Suzuki (1991)	
Swift \$400-500	2/4
Sidekick \$500	2/4

Toyota (1989-91)	
Corolla, Camry \$200-1,100, quota	1/3
Trucks \$200-1,200, quota	1/3

Volkswagen (1990)	
Golf \$500	12/31
Fox \$500	None
Corrado \$1,500	None

Chrysler pays \$500 on '91 minivans

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. is offering cash rebates to buyers of its 1991 minivans and has raised the cash paybacks on all 1991 Jeep Cherokees. Chrysler also extended customer cash incentives through Jan. 9 on 1989-91 cars and trucks.

Chrysler's extension of consumer rebates runs counter to Ford Motor Co.'s new program that switched from consumer cash payments to direct rebates to dealers on most 1990-91 cars and trucks.

The Ford program began Dec. 12 and runs through Feb. 28. General Motors recently extended its consumer cash rebate program through Jan. 7.

For openers, Chrysler is offering a \$500 cash incentive to buyers of 1991 Dodge Caravan, Plymouth Voyager and Chrysler Town &

Country minivans delivered through Jan. 31. The new allowance can be coupled with \$500 cash certificates from the company's recent direct-mail program to owners of its 1984-89 minivans. That offer applies to replacement vehicles delivered or ordered before Jan. 1.

From Feb. 1 through March 31, customers will have the choice of a minivan with a free \$500 air bag, or the \$500 rebate on a minivan without the air bag.

Chrysler also said it will introduce Feb. 1 a Security Package on minivans with 3.3-liter engines. The package includes driver-side air bag and anti-lock brake system for a net price of \$499. Chrysler said the full price of the package is \$1,299.

Chrysler also is enhancing its Family Value discount package for

entry-level minivan buyers. That package with air conditioner, rear defroster, dual horns, deluxe insulation, light package and power liftgate release had been discounted \$300 for a net price of \$1,102. The discount has been increased to \$857, reducing the net to \$545, or essentially providing air conditioning free.

The automaker also increased to \$1,000 the consumer incentive on 1991 Jeep Cherokees. They previously carried cash rebates of \$500 or \$700, depending on the model.

Incentives ranging from \$300 to \$3,000 or alternative financing starting at 7.9 percent on all other vehicles in the program are unchanged.

The program also includes \$1,000 rebates on 1989 and 1990 minivans.

CONGRESS

FROM PAGE 3

In 1965, when Mercedes-Benz of North America was established, he was named service organization manager. He became national service manager in 1968, and general manager for product and service engineering in 1973.

In 1981, he was appointed vice president; he was promoted to his current position in 1989.

Young joined Grey Advertising in 1959 and rose to executive vice president for marketing planning and strategic development. In 1983, she was named president of Grey Strategic Marketing Inc. and was a marketing consultant for GM. In 1988, she was elected vice president for consumer market development at GM.

Huizenga joined the National Automobile Dealers Association in 1976 as industry relations counsel and director of industry relations; he became chief counsel in 1979.

He was appointed senior vice president and general counsel for The General Group of Cos. in Los Angeles in 1985. A year later Huizenga was named president of General Risk Management Corp. in Los Angeles.

He was appointed executive vice president of the American International Automobile Dealers Association in 1989 and four months later became the group's president.

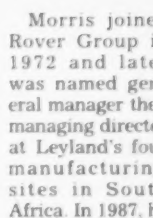
Rogers joined the consulting firm Kepner Tregoe in 1979. He was named managing director of national accounts in 1982. In 1988, Rogers was appointed to his current position.



Briggs



Morris



Bennett

Morris joined Rover Group in 1972 and later was named general manager then managing director at Leyland's four manufacturing sites in South Africa. In 1987, he was appointed managing director of Freight Rover Vans in Birmingham, England.

Briggs began his GM career in 1961 with Chevrolet. Prior to joining Saturn, he was manufacturing manager of Chevrolet-Pontiac-Canada.

Bennett joined GM in 1964 and has held various local UAW offices since 1972. Since 1986, he has been president of UAW LOCAL 1853 and UAW manufacturing adviser for Saturn.

For further information on the World Congress, write Wendy Barhydt, World Congress, UMTRI/OSAT, 2901 Baxter Road, Ann Arbor, MI 48108-2150 or telephone 313-936-1049. Registrations are encouraged to be in by Jan. 10.

GM ad cuts may spread

By Raymond Serafin
CRAIN NEWS SERVICE

The suspension of first-quarter advertising by General Motors' Automotive Components Group could portend cuts in spending for GM's car and truck divisions.

The components group's nine divisions combined spend only an estimated \$15 million on advertising annually, almost all in trade publications.

Ad agencies that handle GM's vehicle divisions, which spent the lion's share of the company's \$1.4 billion ad budget this year, haven't yet been given 1991 budgets.

Some GM agency executives had been told earlier that 1991 ad cuts could total as much as \$200 million. But there has been discussion more recently that GM will budget only for the first quarter instead of for the entire year because of economic and military uncertainty.

"We're still waiting to hear," said Richard O'Connor, chairman and chief executive officer of Lintas-Campbell-Ewald in Warren, Mich., the agency for Chevrolet.

So far, agencies are making whatever buys are authorized by GM, and the company's past policy has been to honor existing contracts even if budgets are cut.

"Nobody is looking forward to the first quarter," said one agency executive, who asked not to be identified.

From Advertising Age

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MAZDA

FROM PAGE 1

any luxury car it introduces in the United States.

But expansion and new products cost money. For the current fiscal year, Mazda has budgeted 120 billion yen (about \$923 million) for capital investment, up sharply from 66.5 billion yen (about \$510 million) the year before. Next year, the company says, it plans to invest another 120 billion yen, "at the very least."

To avoid the debt markets and to pay for the expansion through cash flow — a stated corporate goal — Mazda Executive Vice President Yoshihiro Wada told securities analysts in New York recently that the company knows it will have to begin generating pretax income of "at least" 100 billion yen (about \$769 million) a year.

"This is an ambitious objective," Wada said. "But it is attainable."

How ambitious? Mazda earned a record 77 billion yen in 1985, a high-water mark it has not approached since.

But profit is on the upswing. In the 1990 fiscal year ended last March 30, the company posted pretax earnings of 48.1 billion yen (\$305 million at the prevailing exchange rate), up 15.5 percent from the previous year, on sales of 2 trillion yen (about \$12.9 billion).

For the first six months of its current fiscal year, ended Sept. 30, pretax income rose 6.7 percent, to 23.8 billion yen (\$172 million) on sales of 1.1 trillion yen (\$8 billion).

To be sure, Mazda's new-product offensive has netted excellent results in both the home and U.S. markets, at least in volume terms. After posting a 20 percent rise in car and light-truck sales at home last year, to 484,000 units, the company's volume through the first 11 months was up another 12 percent, to 541,000.

In the U.S. market, Mazda's car-truck sales climbed 4 percent in the first 11 months of 1990, at a time when overall car-truck demand declined 4.6 percent. Mazda expects to reach a U.S. total of 380,000 units in 1990, and is aiming for 500,000 a year in the United States by mid-decade.

But it is a basic axiom of the car business that big cars yield higher profits than minis, or small cars, analysts point out. And by skewing its sales mix toward low-end cars just when it needs cash flow, they contend, Mazda is skating on dangerously thin ice.

"The sales look good, but there's no profit," said an analyst who asked to remain unidentified. "Specifically, their (earnings) gain for the first half is not what it could have been if the company was succeeding more with larger cars."

Koji Endo, who follows the industry for Nomura Securities in Tokyo, said his concern is that Mazda's profit margin is so thin that "it could easily be wiped out by a sharp change in the exchange rate."

Indeed, despite higher sales for the six months ended Sept. 30, Mazda's indicated profit margin slipped during the period from an already thin 2 percent for all of fiscal 1990 to 1 percent.

Steve Usher, automotive analyst with Kleinwort Benson International in Tokyo, believes Mazda is betting the farm on its new strategy.

"Essentially, the company has decided, 'We go for it. If we lose, we lose big. But we lose unless we make it,'" he said.

Usher predicts that Mazda will

PRODUCTION

U.S. CAR

	Week Ended Dec. 22, 1990	Week Ended Dec. 15, 1990	Dec. Est.	Jan. 1 to Dec. 22, 1990	Jan. 1 to Dec. 23, 1990
Horizon	0	0	0	4,327	32,908
Sundance	0	2,221	4,572	87,587	100,585
Accclaim	2,900	3,193	8,847	120,418	124,445
Total Plymouth	2,900	5,414	13,419	212,332	257,938
LeBaron A	0	0	0	8,071	0
LeBaron J	1,500	1,514	3,014	51,972	93,673
LeBaron GTS	0	0	0	0	2,946
N. Yorker C-Class	300	366	956	34,818	74,479
Fifth Avenue	1,000	1,257	3,105	37,888	26,866
Imperial	400	525	1,278	19,463	5,636
Total Chrysler	3,200	3,082	8,353	152,212	203,600
Omni	0	0	0	4,078	34,545
Daytona	700	757	1,457	33,279	72,420
Shadow	0	2,570	5,009	95,681	104,121
Dynasty	1,000	3,457	6,904	120,608	132,435
Lancer	0	0	0	0	1,528
Spirit	2,400	2,317	7,453	105,518	108,019
Total Dodge	4,100	9,101	29,823	359,164	453,080
CHRYSLER MOTORS	10,200	18,177	42,595	723,708	914,086
Escort	5,767	5,735	11,502	245,683	335,860
Mustang	2,573	3,215	5,788	130,179	184,001
Tempo	0	3,441	6,169	125,151	146,704
Taurus	7,981	3,807	15,575	329,538	362,064
Thunderbird	1,113	1,232	3,657	107,365	137,449
Total Ford Div.	17,434	17,430	42,891	937,916	1,186,078
Topaz	0	909	2,276	46,729	66,788
Cougar	1,689	1,515	4,563	73,374	114,325
Sable	2,499	1,433	5,392	101,631	116,973
Total Mercury	4,188	3,857	12,231	221,734	298,086
Continental	1,179	1,169	3,544	58,621	64,497
Mark VII	207	211	609	18,024	21,532
Town Car	2,774	2,780	8,327	145,804	127,488
Total Lincoln	4,160	4,160	12,480	222,448	213,517
Total L-M Div.	8,348	8,017	24,711	444,183	511,603
FORD MOTOR CO.	25,782	25,447	67,482	1,382,999	1,677,601
Skyhawk	0	0	0	0	6,913
Skyhawk/Somerset	2,500	2,472	7,402	94,255	68,393
Century	0	0	1,567	63,771	122,699
Riviera	296	296	878	21,324	22,616
Electra/Park Ave.	0	2,820	5,639	62,620	80,140
LeSabre (fwd)	0	4,109	5,919	154,415	156,737
LeSabre (rwd)	0	0	0	4,022	8,107
Prietta	0	108	205	5,574	6,428
Total Buick	2,796	9,790	21,610	405,961	472,033
Eldorado	695	687	2,043	22,050	29,145
Seville	1,055	1,062	3,098	35,349	24,295
Brougham (fwd)	0	0	0	29,637	54,935
DeVille (fwd)	3,297	2,854	9,294	162,163	182,042
Alante	64	64	175	3,498	3,187
Total Cadillac	5,111	4,567	14,610	252,897	293,084
Cavalier	7,403	10,377	26,914	360,799	355,733
Camaro	0	2,297	4,195	70,935	100,960
Celebrity	0	0	0	0	70,720
Corsica/Beretta	2,625	2,122	10,873	271,642	368,554
Caprice	0	1,894	3,553	193,883	162,250
Corvette	0	0	413	22,094	25,210
Total Chevrolet	10,828	16,890	45,948	919,363	1,063,427
Calais	1,820	1,890	5,495	100,057	87,706
Cutlass Ciera	0	0	1,967	65,340	87,943
Cutlass Supreme	0	2,130	4,350	93,786	114,137
Toronado	202	203	597	14,772	10,339
88 (fwd)	0	1,883	3,465	99,139	140,851
88 (rwd)	0	0	0	1,223	7,689
98	1,903	1,052	3,968	42,841	71,493
Total Oldsmobile	3,925	7,158	19,842	417,158	528,130
Sunbird	3,917	4,065	12,252	167,465	152,334
Grand Am	0	4,800	4,800	204,813	226,797
Firebird	0	615	1,405	40,361	56,608
Grand Prix	0	3,115	6,227	112,875	125,043
Pontiac 6000	0	0	1,467	51,522	78,879
Bonneville	0	1,530	3,052	72,179	90,924
Safari/Panther	0	0	0	0	2,691
Total Pontiac	3,917	14,125	29,883	649,215	733,276
Total Saturn	540	540	1,629	5,242	0
GENERAL MOTORS	26,317	52,978	132,633	2,853,256	3,182,478
DIAMOND-STAR	3,314	3,219	9,826	151,133	83,396
HONDA					
Civic	1,360	1,801	4,371	100,562	129,388
Accord	7,415	7,297	22,144	332,761	232,987
MAZDA*	3,585	4,235	12,553	180,577	205,294
NISSAN					
280Z	2,820	2,578	8,817	97,574	115,585
HUMMER					
Corolla	4,200	4,331	13,863	294,452	192,716
Geo Prizm/Nova	2,100	2,122	6,870	102,785	80,088
2000	2,100	2,209	6,933	101,667	112,628
SUBARU*	1,230	1,851	4,354	35,020	6,317
TOYOTA					
4Runner	4,092	4,373	13,433	217,185	181,129
TOTAL CARS, U.S.	90,736	125,782	332,031	6,078,326	6,221,556
TOTAL CARS, CANADA	15,061	18,340	60,858	1,078,123	1,016,274
U.S. & CANADA CARS	105,800	144,122	392,889	7,156,449	7,237,830
U.S. & CANADA CARS AND TRUCKS	159,867	225,836	608,486	11,811,148	12,871,420

*Monthly estimates may contain error of one or two units due to rounding.

*Total excludes MX-6, 929S, and Ford Probe.

stay the course, continuing full speed ahead on a course to carve out a role for itself as a producer of distinctive "niche" cars. Following the worldwide popularity of the Miata, for example, Mazda moved swiftly to bring the MPV, Navajo and Carol to market.

Wada says the new-product parade will be continuous from

now on.

"An aggressive product strategy, supported by global research and development, will allow us to introduce new, distinctive models — one year after another — in the years to come," he told the New York analysts.

To handle its growing lineup of products, Mazda has developed

CANADIAN CAR

	Week Ended Dec. 22, 1990	Week Ended Dec. 15, 1990	Dec. Est.	Jan. 1 to Dec. 22, 1990	Jan. 1 to Dec. 23, 1990
Monaco	0	424	764	11,063	1,186
Premier	0	878	1,660	13,593	32,152
CHRYSLER MOTORS	0	1,302	2,424	24,676	33,338
Tempo	3,184	0	6,068	110,182	163,633
Topaz	1,369	0	2,579	40,709	58,182
Crown Victoria	2,024	2,282	6,793	120,595	117,949
Grand Marquis	2,074	2,362	6,852	114,181	129,323
FORD MOTOR CO.	8,651	4,644	22,292	385,667	435,967
Celebrity	0	0	0	20,319	26,544
Cutlass Ciera	0	0	1,781	75,556	122,490
Lumina	0	984	6,027	216,996	194,946
Regal	0	4,077	6,942	102,512	74,328
GENERAL MOTORS	0	5,061	14,750	415,383	418,360
CANM	2,800	2,871	8,061	53,953	0
HONDA	2,130	2,213	6,582	163,794	96,286
HYUNDAI	809	739	2,328	26,290	14,480
TOYOTA	1,300	1,331	3,981	81,871	19,797
VOLVO	180	180	549	8,189	8,890
TOTAL CARS, CANADA	15,061	18,340	60,858	1,078,123	1,016,274

U.S. TRUCK

Caravan	2,100	2,719	7,513	92,553	107,449
Dakota	0	1,899	3,899	72,224	94,701
Caravan C/V	0	0	2	4,173	6,416
Ram pickups	0	1,965	3,900	100,301	90,991
Total Dodge	2,100	6,583	15,314	269,251	299,557
Cherokee	3,800	0	7,604	150,991	207,284
Comanche	300	0	634	9,530	25,216
Grand Wagoneer	300	0	300	6,419	9,618
Wagoneer	100	0	210	3,885	7,535
Total Jeep	4,500	0	8,748	179,825	249,653
Voyager	1,200	2,164	5,281	82,337	100,256
Town & Country	0	84	164	2,452	3,251
Total C-P Div.	1,200	2,248	5,445	84,789	103,587
CHRYSLER MOTORS	7,000	8,831	29,567	524,865	652,717
Aerostar	0	3,932	3,932	197,999	217,630
Bronco	0	950	950	45,878	70,114
Bronco II/Explorer	5,797	6,193	17,359	210,664	118,621
Navajo	361	514	1,245	8,604	0
Econoline	1,843	1,905	5,838	167,215	207,576
Mediums/Heavies	1,066	1,030	2,096	48,654	57,089
Light trucks	0	8,282	11,397	425,889	518,696
Ranger	2,653	8,098	13,313	280,961	307,202
Total Ford Div.	11,720	30,904	56,130	1,385,864	1,484,928
FORD MOTOR CO.	11,720	30,904	56,130	1,385,864	1,484,928
Astro	0	0	2,889	125,162	158,146
Blazer	357	0	712	15,353	25,359
Lumina APV	0	0	1,219	77,448	20,874
Mediums/Heavies	184	446	864	10,577	8,872
P-Model	0	340	515	20,649	29,408
Pickups	273	62	7,162	361,466	397,015
S-10	1,794	6,397	15,012	242,931	236,741
S-10 Blazer	545	1,355	4,763	84,340	189,849
Sportsvan/Van	590	430	1,405	54,765	94,421
Suburban	1,343	0	2,416	61,852	69,089
Total Chevrolet	5,006	8,830	36,957	1,074,534	1,201,656
Jimmy	112	0	219	4,690	8,086
Mediums/Heavies	146	479	1,377	11,041	13,745
P-Model	108	98	276	2,877	4,060
Pickups	376	35	3,515	134,764	123,085
S-15 Sonoma	55	1,614	2,897	53,319	57,963
S-15 Jimmy	0	694	1,133	26,717	49,931
Safari	998	0	1,887	44,560	44,996
Suburban	550	0	1,810	30,301	31,834
Vandura/Rally Vans	0	446	537	20,037	29,837
Total GMC	2,615	3,396	13,851	328,306	362,880
Silhouette	0	0	330	28,594	4,269
Bravada	0	367	717	1,394	0
Total Oldsmobile	0	367	1,847	29,988	4,280
Pontiac Trans Sport	0	0	673	42,249	7,825
GENERAL MOTORS	7,781	13,363	52,328	1,474,999	1,571,366
NAVISTAR	1,680	1,612	4,800	71,968	77,113
NISSAN	2,706	2,968	8,589	130,546	122,937
SUBARU-HISUZU	1,904	1,296	4,487	36,863	6,315
AM GENERAL	450	450	1,350	22,148	22,590
MISCELLANEOUS	3,000	3,000	9,000	147,808	144,600
TOTAL TRUCKS, U.S.	36,961	62,124	186,280	3,863,845	4,082,550

NOTE

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